



28 November 1955

MEMORANDUM FOR: Director of Communications
Deputy Director of Personnel

SUBJECT : Agency Manpower Study

REFERENCE : Memorandum dated 17 November 1955 from
Director of Communications and Deputy
Director of Personnel to Components of
the DD/S

1. With regard to the referenced memorandum, the following are our comments and conclusions.
2. The only manner in which the Office of the Comptroller can take a reduction in personnel which does not result in eliminating essential work or activity is for some other component(s) to eliminate sufficient work or activity to result in a direct reduction in required support rendered by the Office of the Comptroller such as audit and examination of accounts, preparation, recording, and processing of payrolls, examination and processing of travel, procurement, and other vouchers, formulation, processing, and examination of the budget, etc. In other words, if sufficient work is cut out throughout the Agency to result in a reduction sufficient to warrant a 10% cut of personnel in the Comptroller's Office there would be no difficulty in applying such a cut to the places where the impact is felt.
3. On the other hand, if there is to be an arbitrary 10% across-the-board cut of Agency personnel as seems to be contemplated, there would be very little effect in actual work reduction on the Office of the Comptroller. For example, if the Agency were to reduce by approximately [redacted] jobs throughout various components there would probably be little or no reduction in procurement, travel, agent, project, and other activities and the only substantial effect upon the Comptroller's Office would be a reduction in work with respect to payroll [redacted] employees and this cut only affects a maximum of four to five payroll clerks, whereas to meet the contemplated reduction the SF Career Service would have to be reduced approximately 60 persons or jobs. 25X9A2 25X9A2
4. In order to effect such a reduction, essential work would have to be eliminated but we would attempt to retain the most important activities and those most basic to the responsibilities of a comptroller's office. It would be our objective not to eliminate anything completely but to

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reduce most everything on a partial basis cutting some functions more than others. To be more specific, we would meet our cut in Finance Division by eliminating the review of proprietary accounts and preparation of related reports, reducing Industrial Contract Audit Branch by auditing on a highly selective basis, eliminating a large part of the training pool, reducing the emphasis on policing of accounts receivable, and reducing administrative audit service to the point where payments to vendors and personnel of the Agency would not be as expeditious as heretofore; with respect to the Fiscal Division we would anticipate the affect of a 10% payroll cut would result in our payroll operations being reduced by at least four persons and the remaining cut for Fiscal Division would be taken principally in the Fiscal Processing Branch and probably a small cut would be made in the Accounting Branch; this would result (as with respect to the Finance Division) in a reduction in expeditious payment services to personnel, vendors, and other agencies and it also should be pointed out that as a result of cuts throughout the Agency overtime would probably increase and the payroll work in the Fiscal Division might therefore not decrease despite the reduction in personnel; the major part of the cut in field offices could be taken only by the larger installations such as [REDACTED] and certain stations [REDACTED] the remainder would be too small to apply this type of across-the-board cut; this approach with respect to field offices would also apply to a certain extent to the SF components in the various DD/P area divisions; the Budget Division would cut by reducing its analytic and review functions and eliminating such reports as the voluminous overtime and leave analytical statements; with regard to the Machine Records Division, a study would be made to eliminate all reports of a statistical nature which could be classified as the lowest priority items regardless of their usefulness in order to reduce sufficient machine work to meet the required personnel reduction; and the difference between the total 10% cut and the amount obtained by the above described cuts would have to be absorbed by the Staff offices of the Office of the Comptroller, that is, Technical Accounting Staff and Program Analysis Staff. The former being the larger of the two would have to take the larger portion of such cut and the obvious result would be that required procedures would not be developed currently, a backlog would accumulate with respect to preparation of new and revised regulations, accounting systems would not be developed, installed, and reviewed on a current basis, proprietary project accounting systems and reporting methods would be neglected and the development of improved procedures and practices would be reduced to a minimum.

5. Obviously, the above described cuts would result in a general deterioration of budget and fiscal services and many of the requirements of the Hoover Commission, members of Congress, and other committees, with respect to improved budget, fiscal, and management standards could not be complied with.

6. With respect to question B of the referenced memorandum, this Office is not aware of any organizational units which perform functions or activities performed by any other components of this Agency or another Government agency.

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7. With regard to Question C of the referenced memorandum, this Office believes that the Budget Division should have at least four additional positions and incumbents in order to properly carry out its budget responsibilities with respect to proprietary and other special projects and that the Finance Division needs additional personnel for proprietary and special project review and reports activities, industrial contract audits, and agent service activities as recommended by the Management Staff and the Inspector General.

8. With respect to Paragraph 2, you are advised that due to the current ceiling the Budget Division has not been able to carry out its budget responsibilities with respect to proprietary and other special projects; the Program Analysis Staff has not been able to perform other than a minimum of analysis work; the Finance Division has not been able to increase its review of proprietary and other special projects, its contract audits and its agent service activities pursuant to recommendations of the Management Staff and the Inspector General; and the Comptroller Career Service Board has not been able to prepare a career plan for each SF career employee as is contemplated by the career program.

9. In addition to the above, it is our opinion that our training program will have to receive a portion of the 10% cut. In other words, a part of the cut would be taken in the number of personnel in training (pursuant to the 5% provision of Notice No. [REDACTED] and thereafter the number in training might be considerably less than 5%.

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[REDACTED]
Acting Comptroller

RHF:jh (28 Nov 55)

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